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SUBJECT: Penza Oblast - Governor Weak Authoritarian

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REFTEL: Moscow 03839

Summary

¶1. (SBU) Penza governor Vasiliy Bochkarev at first glance appears comfortably ensconced in his power position, enjoying favorable ratings from the population, which credits him with improving the regional quality of life, and nods of approval from Moscow for his energetic support of the National Priority Projects (reftel). Bochkarev has largely eliminated any real political challenge from within -- a campaign assisted by the fecklessness of his opponents -- and has corralled the media in such a way as to limit any substantive criticism of his regime. Nevertheless, Bochkarev appears to be politically weak, at risk that his performance in office does not meet the full approval of Kremlin. His administration has been rent by arrests and investigations for corruption and graft, some of which were connected to finances for the National Priority Projects. The expectation is that Bochkarev will seek to strengthen his position vis-a-vis Moscow by boosting the fortunes of the President's party, United Russia, in the December 2 elections for the Duma. END SUMMARY.

Penza: Economic Fortunes Rising

¶2. (SBU) Editor-in-Chief of the local branch of the Ekho Moskvy radio station, Semen Vakhstayn, credits Governor Bochkarev with having good instincts for the changing political currents from Moscow. His programs in support of the National Priority Projects for health and social welfare -- including the network of sports centers and the establishment of a heart center -- have won praise from central leaders. Premier Viktor Zubkov and Deputy Premier Zhukov have both made well-publicized trips to the region, with the former praising the "energetic" efforts of the government in promoting social conditions in Penza oblast (reftel)

¶3. (SBU) Penza has enjoyed a rise in living standards under Bochkarev's leadership. Bella Akmaykina of the ROMIR Monitoring firm told Embassy that their marketing data and polling shows that Penza inhabitants enjoy more disposable income and are spending their money on automobiles and other high end consumables. She further noted that competition on the regional market had increased sufficiently to require the services of her company, which helps manufacturers develop marketing strategies. Many equate Bochkarev with this economic dynamism, according to noted regional political scientist and publisher Valentin Manuylov. Across the capital city, cranes tower over new building projects and a growing retail sector. The governor's office encourages others to make the link between the administration and economic growth; banners herald a major

project to repair and repave the town's roads as a gift from Bochkarev's United Russia.

...With the Politics of Weak Authoritarianism

¶4. (SBU) Despite those successes, Bochkarev appears politically weak. The YR party leadership chose not to have him head the YR party list for Penza Oblast -- a decision that reportedly troubled him -- and he is rumored to be up for replacement after the elections. Bochkarev may believe that meeting the Kremlin's goals for election results in December could help to strengthen his position as governor. Many in Penza's political elite expect a robust use of administrative resources to boost the turnout for Putin's United Russia. Manuylov predicted a maximum vote of 70 percent for YR, in part driven by the "illusion" that a stronger turnout for the party of power will result in increased financial support from the center.

¶5. (SBU) Penza's other political parties face additional challenges that have hampered their Duma campaigns. The Communist Party of the Russian Federation (KPRF) continues to have a strong showing, especially in rural districts, and is expected to receive 15 to 17 percent of the vote, according *Ekho Moskvy's Vakhshtayn*. However, the death of a leading local KPRF figure, Boris Zubov, in September has undermined party's competitiveness. Now, Viktor Ilyukin, a sitting Duma deputy who lost the governor's race to Bochkarev in 2002, heads the party list for Penza, but he does not enjoy the same popular support that his predecessor did.

¶6. (SBU) A former Bochkarev ally, Lyudmila Lezhikova, who helped him to win election in 1998, has lost the confidence of the governor and now heads the opposition party "Just Russia." She and her business partners in "Stroidizain-konsalting" -- a local construction firm -- enjoyed the benefits of control over a concrete fabrication plant that gave them advantages in Penza's building boom. According to Aleksey Panin of "Lyubimaya Gazeta," Lezhikova's

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firm ran into legal problems in September after she publicly criticized administration bureaucrats for ineptitude and malfeasance. Other rumors suggest that she refused to pony up for administration-sponsored programs, perhaps because she realized that the projects would be manipulated to support United Russia's political campaign.

¶7. (SBU) Lezhikova's SR team seems consigned to their fate, with only limited access to the media and insufficient financial backing for a more robust campaign. Curiously, the SR officials would not themselves broach the issue of YR's use of administrative resources until Poloff raised it as a possible concern. Lezhikova, for her part, told Embassy that her party would win up to 15% of the vote -- a contention that few other regional experts would support. She steadfastly maintained that Putin's decision to head the YR party list had "no real impact" on the chances of her party in the Duma election and dodged questions on the possible defection of the Pensioners' party from the SR coalition. Lezhikova's vision for Russia, including a paternalistic censorship of the media to protect families, a critical view of Western culture in general, and an unfavorable view of U.S. foreign policies, differs little from that espoused by United Russia.

¶8. (SBU) Vakhshtayn and Manuylov see the SRs as unlikely to receive enough votes to cross the 7 percent threshold for the election. Regional polls show the nationalist Liberal Democratic Party (LDPR), which enjoys the support of perhaps 9 percent of the voting population, as more popular in Penza oblast. None of the other parties of the "liberal right" are registered to run in the Penza elections.

Corruption Wave

¶9. (SBU) The curious case of former First Deputy Governor Aleksandr Pashkov may also be a sign of trouble for Bochkarev. Pashkov had responsibility for overseeing the implementation of the National

Priority Projects in Penza oblast and was tightly connected with the region's construction industry, both from his time as the chief of the department for construction and highways and from his tenure as Mayor of Penza city. Authorities arrested him in August at Moscow's Domodedovo airport as he attempted to flee the country. At the time he was under investigation for misuse of his office to the tune of \$1.6 million. Not one Embassy contact in Penza knew Pashkov's whereabouts today, nor the proceeding of his case. According to Vakhshtain, the regional branch of the FSB carried out the investigation of Pashkov as part of a broader campaign against regional leaders. Young journalists Aleksey Panin and Sergey Poplyovin of the local paper "Lyubimaya Gazeta" reported that rumors of divisions within the oblast leadership had led to the arrest, with Bochkarev tiring of Pashkov's relentless self-promotion as the governor's heir apparent.

¶10. (SBU) The administration has botched its first efforts to replace Pashkov. In early October, the governor's office announced that Yuryi Aksenenko, the former Mayor of Saratov, would become the new deputy. However, Aksenenko served for just one day; the regional press office denied that he had ever been "officially" appointed. Embassy contacts say that the reasons for his "non-appointment" have never been fully explained.

¶11. (SBU) The case against Pashkov is not the only corruption issue in Penza, indeed a wave of arrests and investigations has swept through the oblast in recent months. Vakhshtain reports that 4 of the region's district leaders have been investigated, as well as the Minister for Finance Olga Atyukov and the head of the regional Rossiya Television station. The oblast court in August sentenced the former chief of the Penza division of the Federal Property Agency, Vasiliy Petrushin, to 6 years of hard labor for taking a bribe for \$32,000 in a case initiated by the FSB.

Media Corralled

¶12. (SBU) Corruption in Penza takes place in part because of a lack of free media to expose those crimes. Bochkarev seems afraid to allow any dissent, perhaps a result of his own success in using the ballot box to become governor in 1998 and to hold onto power in a tough election in 2002 against a popular Communist leader. According to regional journalists, he has since turned against the businessmen who supported his initial bid for the governor's office and his administration has essentially eliminated any independent print media. As in other regions, television remains firmly under the administration's control and provides little access for opposition parties to air their views, mainly by maintaining high costs for political advertising.

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¶13. (SBU) Aleksandr Yakhontov of the former regional edition of Novaya Gazeta claims his newspaper was essentially starved of advertising revenue as a result of administration pressure even as he fought what he termed a "spurious" legal case for defamation. Twelve officials from the Penza administration filed charges against Yakhontov and three other editors of local newspapers in response to an open letter to Putin that claimed the region was "gradually being turned into a private holding controlled by Governor Bochkarev and people close to him." (The Strasbourg court in late July ruled that the case against Yakhontov and his co-defendants had no legal merit.) Other editors were more adaptable and have "trimmed" their coverage to hew more closely to the demands of the governor's office. Even so, Bochkarev continues to monitor the media, going as far to call in during an on-air program on inflation in the region to argue against official statistics that showed higher prices in Penza than in other regions.

¶14. (SBU) COMMENT: Bochkarev has publicly denied that Penza has any problem with corruption, since it remains a poor region without oil or valuable mineral resources. Indeed, without powerful business and industrial interests, Bochkarev has been able to exert a level of control that governors in other regions, like Nizhniy Novgorod or Samara, could only dream of. Penza like other oblast "boats" is rising on the broader tide of national economic growth and has

enjoyed an infusion of cash from Moscow, in part through the National Priority Projects program. The extent to which the center will tolerate the corrupt practices of the regional elite remains to be seen, particularly if Bochkarev is able to "bring home the bacon" in the coming election season.

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